

Instrument prepared by:

**VIRGINIA GAS AND OIL BOARD**

Order recorded under:

**CODE OF VIRGINIA  
§ 45.1-361.26**

## BEFORE THE VIRGINIA GAS AND OIL BOARD

**RELIEF SOUGHT:** An Order for Disbursement of Escrowed Funds**JURISDICTION:** *Code of Virginia* § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-4522  
 TRACT(S): Tract 3  
 LOCATION: Dickenson County, Virginia  
 Tax Map No: Exhibit E

**DOCKET NUMBER:** VGOB-00-0620-0814-01**APPLICANTS:** EQT Production Company on behalf of Martha Musick and Range Resources, PML.**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
July 17, 2012**APPEARANCES:** Jim Kaiser on behalf of EQT and Sharon M.B. Pigeon, Sr. Assistant Attorney General representing the Virginia Gas and Oil Board.**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 09/07/00, Recorded 09/07/00, Deed Book 358
2. Supplemental Order Executed 01/10/01, Recorded 01/18/01, Deed Book 361

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the July 17, 2012 hearing and consider whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 3 for the parties identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 3 relative to the interests of the Applicants identified in the attached miscellaneous petition.
- (3) Close the escrow account under this docket number.

**FINDINGS:** *Code of Virginia* § 45.1-361.22

Applicant has certified and represented to the Board that:

1. The owner of the coal estate for Tract 3 is Range Resources –Pine Mountain for the subject drilling unit.
2. The owner of the gas estate being disbursed for Tract 3 is Martha Musick for the subject drilling unit..

3. EQT waives claim to all past or future royalties to the claims of Martha Musick in Tract 3 for the subject drilling unit.

**RELIEF GRANTED:**

		VGOB Approved Disbursement		Fractional	Net Acreage	Royalty	Escrowed	Percent of
		VC-4522		Ownership	Ownership	Split	Acres	Escrowed Funds
		VGOB-00-0620-0814-01		in Tract	in Tract	Agreement	Disbursed	Disbursed
		Table 1, Tract 3						
Item	Tract	Disbursement Table						
		Total acreage in escrow before disbursement					0.9400000	
	3	Tract 3 (total acreage)		0.94				
1	3	Martha Musick	Route 2 Box 310-A, Cedar Bluff, VA 24609	unknown	0.9400	100.0%	0.9400	100.0000%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.
2. The Escrow Agent is ordered to CLOSE the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

**CONCLUSION:**

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted **and IT IS SO ORDERED.**

**APPEALS:**

Appeals of this Order are governed by the provisions of the *Code of Virginia* § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

**Effective Date:**

**This Order shall be effective on the date of its execution.**

DONE AND EXECUTED this 17 day of July, 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Bradley C. Lambert, Chairman  
Virginia Gas and Oil Board

DONE AND PERFORMED this 17<sup>th</sup> day of July, 2012 BY Order of the Virginia Gas and Oil Board.

Rick Cooper  
Rick Cooper, Principal Executive to the Staff  
Virginia Gas and Oil Board

**COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL)**

Acknowledged on this 17<sup>th</sup> day of July, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.

Diane J. Davis  
Diane J. Davis, Notary Public #174394

My commission expires: 09/30/2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQT Production Company on behalf of Martha Musick.

DOCKET NUMBER: VGOB 00/06/20-0814-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of Martha Musick.

LEGAL DESCRIPTIONS: Drilling Unit Number VC-4522 created by Board Order Dated August 23, 2000, VGOB 00/06/20-0814 in Dickenson County, Virginia.

HEARING DATE: July 17, 2012

MISCELLANEOUS PETITION

1. Party: Applicant herein is, Martha Musick (hereinafter "Plaintiff"), whose address is 688 Arrowhead Circle, Cedar Bluff, VA 24609-8282.
2. Facts:
  - a. Equitable was designated as the Operator and Applicants interests were Pooled in the VC-4522 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on August 23, 2000, pursuant to Docket No. VGOB 00/06/20-0814 and recorded in the Circuit Court Clerk's Office Dickenson County, Virginia on September 7, 2000, Book 358 Page 122 (hereinafter "Order").
  - b. The Order and Supplemental Order required the Escrow Agent named and appointed therein to establish an interest-bearing escrow account for funds pertaining to the above-referenced Unit and subject to escrow pursuant to the terms of the Order.
  - c. The Order and Supplemental Order further required the Operator to deposit bonus and royalty payments with the Escrow agent which could not be made because the person(s) entitled hereto could not be made certain due to conflicting claims of ownership.
  - d. Range Resources-Pine Mountain, Inc. was a conflicting claimant with the above-listed Plaintiff with regard to **Tract 3** as created by Board Order as VGOB 00/06/20-0814 is the applicable Tract.
  - e. To resolve this conflict, a Letter dated June 7, 2012, signed Phil Horn, Land Manager of Range Resources-Pine Mountain, Inc. is attached hereto and incorporated herein as Exhibit "A".

- f. The amounts deposited with the Escrow Agent regarding the Unit need to be determined and distributed accordingly.
- g. Any escrow amount, not yet deposited into the escrow account, held by Operator should also be determined, and distributed to Applicant/Plaintiff herein, accordingly.
- h. Applicant/Plaintiff herein does hereby request that the Board enter amended supplemental order for the Unit directing the Escrow Agent and the Operator to disburse to the aforesaid Plaintiff the funds attributable to the previous conflicting claim with Pine Mountain, held in escrow for the VGOB number as listed above.
  - 1. The Applicant certifies that the matters set forth in the application, to the best of her knowledge, information, and belief, are true and correct and that the form and content of the Application and conform to the requirements of relevant Board regulations and orders.
  - 2. Legal Authority: Va Code Ann. §45.1-361.1 et seq., 4 VAC 25-160, and such other regulations and Board orders promulgated pursuant to law.
  - 3. Relief Sought: Applicant requests that the Board issue amended supplement order amending all prior orders affecting the Unit which amended supplement order will provide as follows:
    - a. Determining the amount of funds attributable to the Applicants/Plaintiffs herein.
    - b. Directing the Escrow Agent to determine the amount of funds attributable to Applicant/Plaintiff herein, provide an accounting hereof, and disburse the funds on deposit with the Escrow Agent, including any applicable interest, pertaining to the interest in the Unit shown above for distribution.
    - c. Directing the Operator to determine the amount of funds attributable to the Applicant/Plaintiff herein, provide an accounting thereof, and disburse the units in its hands, if any, subject to escrow but not then on deposit with the Escrow Agent, including any applicable interest, at the time of the Supplemental Order requested therein is executed, attributable to the Applicant/Plaintiff herein for distribution.
    - d. Directing the Operator to disburse the funds, including any applicable interest, and provide an accounting thereof, which it may receive after the date of the execution of the amended supplemental order requested in the Application, if any, attributable to the Applicant/Plaintiff herein, and to discontinue the payment of such funds into Escrow.

- e. Granting such other relief as is merited by the evidence and is just and equitable whether or not such relief has been specifically requested herein.

Dated this 15<sup>th</sup> day of June, 2012.

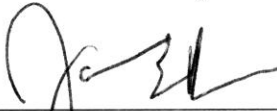
By: 

Petitioner

Address: Wilhoit & Kaiser  
220 Broad St, Ste. 301  
Kingsport, TN 37660

**CERTIFICATE**

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. §45.1-361.19.

  
\_\_\_\_\_  
Petitioner

Amount from 04/2012 First Bank Summary | \$2,003.54

		VGOB 00/06/20-0814 VC-4522	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds	Disbursement \$
Item	Tract	Disbursement Table					
					0.94		
1	3	Martha Musick	0.94	100%	0.94	100.000000%	\$2,003.54

Beginning Acreage in Escrow	0.94
Acreage Disbursed	-0.94
Acreage remaining in escrow	0



June 7, 2012



Mrs. Martha Musick  
688 Arrowhead Circle  
Cedar Bluff, VA 24609-8282

Re: **Permanent Release of CBM Royalty**  
**Well VC-2978 and VC-4522; Dickenson County, Virginia**

Dear Mrs. Musick:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on a 33 acre tract ("Subject Tract") either under a pooling order from the Virginia Gas and Oil Board ("Board") or as voluntary drilling unit. For these wells, we are listed as having conflicting claims. Range Resources - Pine Mountain, Inc. ("RRPM") is listed as claiming under a coal title, and you are listed as claiming under a gas title. The plats indicating the location of the wells within the operating unit are enclosed for your reference.

EQT, as operator of the units, has placed or will place all royalty proceeds attributable to conflicting claims into an escrow or suspense account. In order to allow release of the royalty proceeds, RRPM hereby waives any claims to past or to future royalties attributable to your interest in these wells.

By copy of this letter, RRPM is requesting EQT to initiate distribution directly to you of all current royalties, as well as all future royalties, attributable to your interests in these wells.

Please be advised that EQT may require that you demonstrate that you are the current owner of the gas estate. You should work directly with EQT on that issue.

If you have any questions, please do not hesitate to call me at 276-619-2583.

Sincerely,

RANGE RESOURCES-PINE MOUNTAIN, INC.

Phil Horn  
Land Manager

Enclosure

cc: Kristie Shannon, EQT  
Alma Tolman, EQT  
Debbie Louthian, RRPM  
T. Shea Cook, Attorney

BK 500PG 410

1,460'

Latitude 37° 07' 30"

Longitude 82° 17' 30"

7,810'

Lease No. 241577L  
Reba Counts, et al -  
coal, oil & gas  
163 Acres  
Gas 0.43 Ac. 0.73%

Lease No. 241490L / T-261  
E. S. Counts  
1500 Acres  
Clinchfield Coal Company /  
Pyxis Resources Company - coal  
Pine Mountain Oil & Gas, Inc. - oil & gas  
Gas 57.40 Ac. 97.66%

Clinchfield Coal Company /  
Pyxis Resources Company - surface

Martha Musick - oil & gas  
33 Acres  
Lease No. 244792L / TC-243  
Clinchfield Coal Company /  
Pyxis Resources Company - coal  
Gas 0.94 Ac. 1.61%

Well Coordinates: (VA St. Plane S. Zone,  
Calculated from CCC coordinates)  
N 302,673.46 E 893,070.90

Well Coordinates: (Clinchfield Coal Co.)  
N 1,302.24 E 25,304.36



Well elevation determined by  
GPS survey from BM Y 108

Area of Unit = 58.77 Ac.

## WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-4522  
TRACT NO. T-261 ELEVATION 1524.94 QUADRANGLE Nora  
COUNTY Dickenson DISTRICT Ervin SCALE 1" = 400' DATE 4-04-2000

This Plat is a new plat x; an updated plat     ; or a final location plat     

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

*Glenn F. Phillips*

~~Licensed Professional Engineer~~ or Licensed Land Surveyor

BK 500PG 411

**EXHIBIT "B"**  
**VC-4522**  
**VGOB 00/06/20-0814**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
<u>Gas Estate Only</u>					
1	Pittston Company c/o Pine Mountain Oil & Gas Attn: Richard Brillhart PO Box 5100 Lebanon, VA 24226	Leased - EREC 241490L01 T-261	97.660000%	57.4000	0.12207500
	EQT Production Company				0.85452500
<b>tract 1 Totals</b>			97.660000%	57.4000	0.97660000
2	Reba Counts, Widow 280 Fairway Drive Abingdon, VA 24210	Leased-EREC 241577L01	0.365000%	0.2150	0.00045625
	Carolyn Counts Sharpe 7933 Harper Road Hixson, TN 37343	Leased-EREC 241577L01	0.182500%	0.1075	0.00022813
	E Martin Counts, Jr 119 South Germantown Road Chantano, TN 37411	Leased-EREC 241577L01	0.182500%	0.1075	0.00022813
	EQT Production Company				0.00638750
<b>tract 2 Totals</b>			0.730000%	0.4300	0.00730000
3	Martha Musick and Charles Musick, W/H Route 2 Box 310-A Cedar Bluff, VA 24609	Unleased	1.610000%	0.94	0.00201250
	EQT Production Company				0.01408750
<b>tract 3 Totals</b>			1.610000%	0.9400	0.01610000
<b>TOTAL GAS ESTATE</b>			<b>100.000000%</b>	<b>58.7700</b>	<b>1.00000000</b>
Percentage of Unit Leased			98.390000%		
Percentage of Unit Unleased			1.610000%		
Acreage in Unit Leased				57.8300	
Acreage in Unit Unleased				0.9400	

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Coal Estate Only

1	Pittston Company c/o Clinchfield Coal Compar Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EPC 241640.01 T2-186	97.660000%	57.4000	0.12207500
	EQT Production Company				0.85452500
<b>tract 1 Totals</b>			97.660000%	57.4000	0.97660000
2	Reba Counts, Widow 280 Fairway Drive Abingdon, VA 24210	Leased-EREC 241577L01	0.365000%	0.2150	0.00045625
	Carolyn Counts Sharpe 7933 Harper Road Hixson, TN 37343	Leased-EREC 241577L01	0.182500%	0.1075	0.00022813
	E Martin Counts, Jr 119 South Germantown Ro Chantano, TN 37411	Leased-EREC 241577L01	0.182500%	0.1075	0.00022813
	EQT Production Company				0.00638750
<b>tract 2 Totals</b>			0.730000%	0.4300	0.00730000
3	Pittston Company c/o Clinchfield Coal Compar Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EPC 244792L01 TC-242	1.610000%	0.9400	0.00201250
	EQT Production Company				0.01408750
<b>tract 3 Totals</b>			1.610000%	0.9400	0.01610000
<b>TOTAL COAL ESTATE</b>			<b>100.000000%</b>	<b>58.7777</b>	<b>1.00000000</b>
Percentage of Unit Leased			100.000000%		
Percentage of Unit Unleased			0.000000%		
Acreage In Unit Leased				58.7700	
Acreage in Unit Unleased				0.0000	

BK 500PG 413

EXHIBIT "EE"  
VC-4522  
VGOB 00/06/20-0814

created 06/11/2012

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
3	Martha Musick and Charles Musick, W/H Route 2 Box 310-A Cedar Bluff, VA 24609	Unleased	1.610000%	0.94
Total			1.610000%	0.94
<i>minerals only</i>				
TOTAL SUBSEQUENT TO RR-PM ROYALTY			1.610000%	0.94

INSTRUMENT NO. 120001239  
Recorded in the Clerk's Office  
of Dickenson County

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 9-21, 2012. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:30 o'clock A.M., after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: DMME

BY: [Signature] TESTE/RICHARD EDWARDS, CLERK  
D. CLERK

## Hagy, Sharon (DMME)

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**From:** VITASHARE System [vitashare@vita.virginia.gov]  
**Sent:** Thursday, September 27, 2012 11:44 AM  
**To:** Hagy, Sharon (DMME)  
**Subject:** New Transaction 3J3KJUICY7EFAX38-0007

Transaction details for Sharon Hagy(user shagy\_1) \_\_\_\_\_

Job Id: 3J3KJUICY7EFAX38-0007

Date: Thu, Sep 27, at 11:43

### Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- user1@virginia.gov, user2@virginia.gov: dldavis@firstbank.com, gloria.clark@dmme.virginia.gov, KKenny@eqt.com, KShannon@eqt.com, mbarbour@eqt.com, mroyster@eqt.com, NAtkison@eqt.com, sep@wilhoitandkaiser.com

Message - Describe file attachment: The disbursement order for docket 0814-01 that I sent out earlier did not have the recorded stamp from the Clerk's office on the back page. Please disregard the previous order and download this corrected copy. Thank you, Sharon

Notify me when the file is downloaded?: Yes

Pin: 852647

### Files:

0814-01\_Disbursement.tif

View details here

<<http://vitashare.vita.virginia.gov/fcweb/viewJobLink.do?JOBIDX=3J3KJUICY7EFAX38>>

Total Estimated File Size: 181 KB

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Estimated Upload Time: 00:00:37